March 2010 **21st Century Patent Research™**

Express Search®

Changing of the Guard at the USPTO

With an impressive resume and a desire to implement substantive changes in process and procedures at the USPTO, newly appointed Director Kappos is off to a running start. Optimism and well-wishes have abounded in the IP community, despite the lackluster appeal of proposed "reform" and rule changes.

During a speech in November to the Independent Inventors Conference, Kappos outlined his main goals: **1.** Post-grant process legislation as an alternative to litigation which dissuades "serial challenges" and increases "value and enforceability." **2.** Economic realities have caused a significant deficit in the PTO budget, however discounts to inventors and microentities will not be affected, despite the possibility that fees may be raised in other areas. **3.** Pendency reduction procedure initiatives include a "pre-first action interview program," the Patent Prosecution Highway (PPH) program for international filing, and a recalculation of the examiner credit ("count") system allotting more time for first action review, in addition to inter-procedural streamlining, IT infrastructure upgrading, and a 'application swap' pilot program allowing inventors to bump a newer application up the queue in exchange for abandonment of a pending, unexamined application. **4.** A "first *inventor* to file" system as distinguished from a "first to file" system.

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Other new appointees include Bob Stoll who replaces John Doll as Commissioner of Patents. His diverse 27 year agency experience includes Administrator of Legislative Affairs, Director of Enforcement, and Dean of Training and Education. The new Deputy Commissioner, Peggy Focarino, has been integral in new examiner training processes and the teleworking programs. Finally, Sharon Barner, Deputy Director under Kappos, brings top international patent litigation experience to the team.

Additionally, a new USTR, Michael Punke, and FTC Chairman, Jon Leibowitz, join the fray. The diverse public/private professional experiences of these appointees will make realization of Kappos' general goals either a greater challenge or an easier outcome. Time will tell.

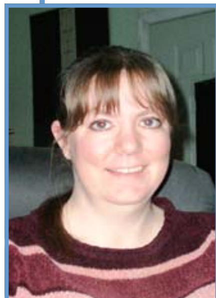
Partnering in Patents XVI: PTO Briefing on Program Status

Six main points were emphasized at the annual 'Partnering in Patents' dialogue between USPTO representatives and members of the AIPLA this past fall:

1. The PTO is attempting to initiate an Ombudsmen Program wherein practitioner's would theoretically have an unofficial chance to ask an Examiner general questions. This 'practitioner's advocate' would not answer application-specific questions, but rather general rule-oriented inquiries. Many practitioner's voiced wariness of the neutrality of such a program (1).

2. The Peer Review pilot program is over and currently being evaluated by the Kappos team who are reportedly in favor of "some form of open review" but is waiting for the final analysis to determine its future. *(cont. on pg. 3)*

Meet Our Researchers: Elizabeth Shaw



One of the secrets to Express Search's quality results is our research staff, consisting of professionals like Elizabeth Shaw whose expertise in Clearance research is in demand.

In the following interview, she discusses the research benefits of a varied scientific and professional background.

***ES**: Briefly describe your research experience.*

Shaw: My studies were in the hard sciences - biology and chemistry - with years of professional development and focus in related mechanical and electrical devices. My eclectic searching career began in the Patent Office where I was placed in the *Animal Husbandry* unit as well as *Dental* and *Toiletries*. *Animal Husbandry* required me to search in diverse classes (e.g. robotics, , conveyors, chemical compositions, etc). I eventually moved to *Plant Husbandry* where I covered additional technical areas (e.g. fertilizers, irrigation systems, compost compositions, etc). In the private sector, I became a sort of catch-all searcher due to my range of technical expertise. These diverse research and professional experiences have given me a unique background and basis for my searching.

> ***"In the private sector, I became a sort of catch-all searcher due to my range of technical expertise...[giving] me a unique background and basis for my searching."***

***ES**: How has research in the mechanical arts versus the chemical arts changed in the past few years?*

Shaw: Searching in the mechanical arts now seems to be either simplified or complicated. The devices are now either very simple (e.g. an improved trash bag or baby bottle) or much more complex (e.g. a diaper bag with speakers and phone capabilities).

Searching the chemical arts has remained more consistent. The chemical compositions are either as simple or as complex as they have always been despite new uses for older compositions. The main changes in chemical research are the techniques to create new compositions, such as computer models, which is becoming more widely used, and technologies which produce better equipment faster, such as compound-making robots.

***ES**: How does your expertise in both the mechanical and chemical arts assist in research techniques?*

Shaw: I believe my mixed background in researching allows me to approach the search creatively from several different angles. Chemical searching can be rigid as searches are conducted for chemical names, derivatives, or other related names that are well known with little deviation.

In the mechanical arts, one item may be known by many common words. I use multiple word/synonym searching techniques with all my searches, mechanical and chemical, to the extent that is possible. This couples the chemical name with other words and versions of the words in search of the related chemical technique, method, additive, etc. This uncovers elements unique to one patent while still bringing in the widest range of results possible.

Clearance Research as a Fundamental Tool in Legal Preparation

Clearance research is a fundamental tool in opinion drafting and business decision-making tool for corporate management. Express Search offers detailed clearance research allowing our clients the flexibility to focus on drafting opinions, amendments, and briefs while having peace of mind regarding due diligence and strength within the market. Clearance research has become a standard method of judging product value in the intangible asset marketplace.   This research is in higher demand as companies are forced to consider the increased probability of legal scrutiny. Clearance research includes an infringement search in addition to searching expired patents that may provide a "safe harbor" for a specific product, process, or service. Our researchers address both infringement and novelty concerns with the ultimate goal of giving the client the ability to offer a solid legal opinion regarding the barriers to entry into a particular field of technology or market. For more information on Clearance results, pricing, and other benefits, please phone us at 703-535-5455.

Copyright Challenges: Google and Amazon

The inundation of downloadable reading materials via new electronic search engines or "tethered" reading devices has created multiple challenges for both copyright holders and rights of device users. Large providers such as Google and Amazon have both faced suits with the promise of more time in court or in negotiation before standards are set.

In the case of Google's Book Search scanning project, issues have arisen both in and out of court with The Authors Guild, the Association of American Publishers and other publishing entities representing copyright holders. The $125 million settlement included such concessions as purchasing options, author/publisher access control, and a Google-funded "Book Rights Registry" for fee and other book management (1).

The greatest benefit, according to many authors and readers, is access to out-of-print books, citing the success of increased revenue through the semi-controlled experiment of 'Baen's Free Library/Webscriptions' (2). "The transition to digital opens great opportunities for scholarship...Once we sort out the mess, these valuable resources can be found [and] their author's recognized" (3). The "author-friendly...free e-marketing" is being hailed by many authors frustrated with their current publishers (4).

The settlement has been more recently contested by both US and European interests, particularly competing corporations in electronic reading sales, such as Amazon, who claim Google is creating a anti-trust situation. Main arguments revolve around pre-scanning copyright consent, i.e. default inclusion particularly of in-copyright, out-of-print books. Opponents claim the settlement rules out the existence of liability (5).

Amazon has had its own troubles with its 'Kindle' technology, most notably with the question of ownership of digital book purchases. Amazon recently had to remote wipe several inadvertently incorrectly licensed digital books, giving rise to the debate over expectation of ownership of licensed data stored in an 'owned' file kept on a tethered device. "Connected appliances will tempt regulatory intervention" and questions are already arising as to whether or not censorship would be a natural outcropping of this circumstance (6).

Partnering In Patents *(cont from pg. 1)*

3. Accelerated Examination filing is currently also being reviewed and directed by Kappos. The decline in filings in 2008 was attributed to the economy as opposed to the Accelerated program. Concurrently, allowances have not gone up despite the program. An additional dimension has been added as a greentech-oriented pilot program , much like one in Great Britain, will be instituted before the end of the new year. (2)

4. The Patent Office Professional Association (POPA), the Examiner union, voted changes to the way Examiner's are credited for application review, increasing examination and office action time. "Kappos isn't looking for a 100% solution in a year. He's looking for a 70% solution now and fix 30% as we go along." (3)

5. With regard to the PPH, US/Japanese filings have averaged 100 per month in 2009 with the US as the Secondary Patenting Authority (SPA). The program has been lauded as a success, encouraging increased harmonization. Some concerns were made regarding harmonizing claims analysis and report formatting. (4)

6. An agreement with Pfizer has resulted in all proposed rule changes being dropped, being permanently enjoined including the proposed continuation-in-part (CIP), requirements for Accelerated Examination type filing, and Information Disclosure Statement (IDS) requirements.

Accelerated Examination Research

A growing number of companies are pushing for Counsel to file Accelerated Examination Petitions in order to avoid the estimated six year examination backlog in some art units. Many of the requirements under Accelerated Examination will be fundamental in future procedural changes. Contact our office to find out how Accelerated Examination research can work for your clients, or schedule a free conferencing session to discuss the process with your clients, at 703-535-5455.

Free Conferencing: A Team Response

Express Search offers free conference sessions for clients to assess research appropriateness and strategy, clarify technical aspects, and to assuage inventor concerns regarding scope, cost, and *team response*. We are proud of our research professionals and enjoy every opportunity to utilize their knowledge in additional arenas, such as during direct client interfacing. Giving your clients access to their researchers gives them additional confidence in your team's response to their needs, particularly when budgets negotiation is at the forefront of debate. A conference call can assist you in explaining the benefits of external research on overall prosecution and litigation goals, while giving your clients the security of knowing that a professional team of associates is working for them with their Counsel—a true team response for quality and due diligence. Sessions may be scheduled at any stage in the research cycle. Please contact us at 703-535-5455 for further information.

Bilski Update: Post-Hearing Assessments

The Supreme Court held November hearings on Bilski trying to ascertain why software and business method patents should be considered for alternative patentability 'testing' (1). The debate over what makes patentable subject matter is not new, particularly with regard to rapidly changing technologies such as software.

The 'slippery slope' verdicts that led to the pre-Bilski software or business method patent deluge started in the early 1980s when computer processing was patented (*Diamond v. Diehr*, 1981). Even then a weak dissent against patenting the software that caused that process existed, however by the mid 1990s software on a computer was allowable giving more strength to a broader definition of patentability (In *re Allapat*, 1994). Applicants picked up on this change of temperament and attempted to push further with the allowance of software on a disk, arguing that the disk itself was tangible and thus patentable (In *re Beauregard*, 1995). The apex of the arguments hit in 2005 when the code that made up software was allowed wherein the Federal Circuit decision claimed "without question, software code alone qualifies as an invention eligible for patenting." (*Eolas Tech v. Microsoft*, 2005) (2)

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The definition of patentable subject matter has swung from 'tangible' to 'intangible' over the past several decades, and the pendulum is definitely swinging back toward testable tangibility despite technology's continued movement toward digitalization.

The Federal Circuit's "machine-or-transformation" test shrinks the significantly qualifying material for patentability. The Supreme Court, constituting new members with unproven leanings in the patent area (2), are surprising in their "hostility" toward business methods and software patents despite their dislike of the Federal Circuit's test. (1)

Despite the previous trend in broadening definitions of patentability to allow software code (and business methods) patents, that trend has either been decidedly altered if not completely reversed. One thing is certain: The definition of patentability as well as the definition of tangibility is on the line. Given the current stream of arguably 'intangible' technologies guiding the economy, any subsequent patentability test will be important.

Advanced Patent Family Information

The patent family is a fundamental necessity for Clearance/Right to Use research, allowing the practitioner to divide the relevant art into active and expired categories. Like examining the file wrapper of a single US application, patent families give insight into the pursuit of the patent. The countries in which a patent is filed AND maintained show the breadth of intent of the filing entity. While most governmental organizations post only minimal information in the INPADOC family files for active patents, expiration due to failure to pay fees is the most common type of expiration and is usually noted.   In the cases where no expiration information is present, review of the issue and filing dates, as well as extensions on the face of the patent provide the required information. International patents usually have up to date patent status information listed on the issuing bodies website. As always, check with the issuing authority for the most current information.

Global IP News: Work-Sharing and Standard Setting

As in the US, the European Patent Office is undergoing a change in leadership, although the Presidential candidacy has yet to be decided. (2) The new President will face many similar issues at the EPO as Kappos faces at the USPTO - increased work and decreased funds. Outgoing President, Alison Brimelow, has suggested a new revenue model based on "patent work-sharing" in lieu of complete harmonization, of which she is dubious will occur. (3)

Although the Patent Prosecution Highway (PPH) continues to expand in its linking individual patent offices together to reduce redundancy, the Patent Cooperation Treaty (PCT) is being lauded as key to an increase in global IP harmonization. (1) Brimelow stated that the PPH is educational in its results, but should not replace the PCT with its standard-setting procedures in global intellectual property maintenance. (3)

Many leading IP nations are beta testing new information sharing technologies, such as the Indian PTO, in an attempt to reduce a staggeringly high redundancy rate in global filings. (3)

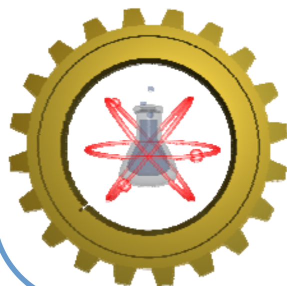
International IP organizations, such as the International Association for the Protection of Intellectual Property (AIPPI), are actively recommending immediate action for reducing backlog and redundancy - quality preliminary research. (3) AIPPI, which works toward the gaining and maintaining of national, regional, and global IP laws and treaties, has long carried the banner for better international patent research as a basis for stronger application drafting and enforcement. (4)

In tandem with current reform movements in the developed world, Lesser Developed Countries (LDCs) have been meeting in WIPO fora for nearly a year calling for the insertion of development issues into the global IP construct. LDCs are calling for WIPO monitoring of all national IP development plans, and for developed countries to alter their attitudes towards IP rights to fit within LDC development schedules. (5) At the fore of these efforts are tools and tool-formation, including patent landscaping research and their multiple uses in assessment, training, and information building.

Many are looking at the WIPO development movements as being dangerous, as some LDC delegates are suggesting IP rights may be fodder for a kind of IP 'imminent domain' wherein technology or pharmaceutical confiscation may be utilized in certain circumstances, without rights holders consent, wherein a nominal compensation would come from a 'general global fund'. (5)

Greentech and Accelerated Examination: Global Momentum

IP and environmental issues have been vociferously argued at many recent international environmental meetings, with studies aplenty both for and against IP rights. In both the US and the UK, fast track initiatives for 'green applications' through accelerated examination processes have begun. The UKIPO began a pilot program last May to reduce application time from 2-3 years for greentech filings down to 9 months, with the burden of acceleration on the examiner as opposed to its US counterpart, where the burden falls on the applicant. (1) The UKIPO is also encouraging IP and trade partners to endorse national accelerated processes of their own. (2) The USPTO followed swiftly behind in accepting a sampling of greentech applications for accelerated examination. (3) The prospect for accelerated examination status offers two-fold benefit to greentech-oriented tech companies: swifter environmental mitigation with swifter investment return as technology can prospectively be put on the market in a third the original time, inducing an increase in greentech investment. Industry areas to benefit include alternative energy, biofuels, fuel cells, wind and solar power, hydroelectric energy, as well as carbon tracking and management processes and equipment.



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